

# Fairfax County BPOL Taxes

Presentation to a Joint Meeting of the  
Small Business Commission  
and the  
Manufacturing Development Commission

October 18, 2013

## Fairfax County BPOL Taxes, Tax Year 2012

40,814 businesses generate approximately \$152 million in BPOL Taxes:

- Equals about 4.5% of General Fund revenue
- Equals about 8 ¢ on the Real Estate Tax Rate
- Equivalent to funding about 10 County Agencies
- Applies to Service Industry businesses as well as Sales

## Fairfax County BPOL Taxes, Tax Year 2012

Of the 40,814 businesses that pay BPOL Taxes:

**16,375 or 40% pay a flat tax  
averaging only \$38**

**11,418 or 28% pay an average of \$552**

## Fairfax County BPOL Taxes, Tax Year 2012

Gross Receipts			% of All	% of Tax Revenue
<u>Range</u>		<u># of Businesses</u>	<u>Licenses</u>	<u>Generated</u>
Below \$ 10,000	No Tax Due		N/A	0.0 %
\$ 10,000 - \$100,000		16,375	40 %	0.4 %
\$100,001 - \$200,000		4,767	12 %	1.0 %
\$200,001 - \$500,000		6,651	16 %	3.1 %
\$500,001 - \$5 million		10,499	26 %	23.4 %
\$5 million- \$25 million		2,046	5 %	28.9 %
\$25 million and over		<u>476</u>	<u>1 %</u>	<u>43.2 %</u>
		40,814	100 %	100.0 %

**Top 1% of businesses pay 43.2% of all BPOL taxes. Average Gross Receipts for top 1% = \$72 million**

# Fairfax County BPOL Taxes, Tax Year 2012

<u>State Category</u>	<u>Max State Rate</u>	<u>Fairfax Rate</u>	<u>Fairfax Category</u>	<u># of Businesses</u>
Wholesalers	\$0.05	\$0.04	Wholesale Merchant	909
Contracting	\$0.16	\$0.05	Builder and Developers	141
	\$0.16	\$0.11	Contractor	7,725
Retail	\$0.20	\$0.17	Retail Merchant	6,271
Repair, Pesonal and	\$0.36	\$0.19	Business Service	5,092
Business Services, and all	\$0.36	\$0.19	Personal Service	5,623
Other Businesses not listed	\$0.36	\$0.19	Repair Service	992
	\$0.36	\$0.26	Hotel and Motels	102
	\$0.36	\$0.26	Amusement	59
	\$0.03/\$.036	\$0.03/\$.031	Research and Development	125
Public Service, Telephone	\$0.50	\$0.25	Telephone Company	33
Financial, Real Estate and	\$0.58	\$0.26	Renting by Owner*	2,449
Professional Services	\$0.58	\$0.19	Money Lender	160
	\$0.58	\$0.31	Real Estate Brokers	342
	\$0.58	\$0.31	Consultants & Specialized**	7,017
	\$0.58	\$0.31	Professional	3,774
Total				40,814

\* Renting By Owner is a Grandfathered BPOL Category in Fairfax County. \*\* Consultants & Specialized Aligned with Professional Under VML/VACO Survey (also below State Max Rate for "Other Businesses" at \$0.36).

# Fairfax County BPOL Tax

Commercial Real Estate Values and BPOL Growth Rates Both Average Around 4% Per Year Since 2006, However BPOL Has Been Subject To Less Volatile Swings

